

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6687**

**BILL NUMBER:** HB 1433

**NOTE PREPARED:** Feb 25, 2013

**BILL AMENDED:** Feb 19, 2013

**SUBJECT:** Recording of New Lots.

**FIRST AUTHOR:** Rep. Rhoads

**FIRST SPONSOR:** Sen. Grooms

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) The bill provides that if an instrument dividing land requires issuance of a new tax identification number:

- (1) the county auditor may not endorse the instrument; and
- (2) the recorder may not record the instrument; unless the plan commission executes a written confirmation that the property division complies with local regulations concerning minimum lot frontage, width, and area, and with the subdivision and platting of land.

The bill provides that the plan commission may not charge a fee for issuing a written confirmation. It also requires the recorder to record the confirmation as an attachment to the instrument.

The bill provides that these requirements do not apply to a subdivision plat or planned unit development that has already received plan commission approval or plan director approval.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary:* If additional costs incurred are incurred for a plan commission to provide written confirmation that the division of real property complies with the local regulations concerning minimum lot frontage, subdivision of land, and platting of land, the cost could be covered only from the

resources of the planning commission since no additional fee may be charged for this confirmation.

**Background:** A review of five county plan commission websites indicates that the county plan commissions meet on a monthly or bimonthly basis. Adding the written confirmation concerning compliance when properties are divided and new tax identification numbers are assigned is expected to incur minimal costs.

**Explanation of Local Revenues: Summary:** County recorders may have slightly increased fee revenue from the recording of plan commission written confirmations as attachments to land division instruments. The amount of additional revenue is indeterminable, and would be based in most cases on the recording of one additional sheet.

**Background:** Recorders are allowed by law to charge \$2 for each additional sheet attached to a recorded document that is not more than 8.5 x 14 inches, and \$6 per additional sheet larger than those dimensions.

Current law allows the county legislative body the option to establish a fee not to exceed \$5 for each deed or legal description of each parcel in a deed of real property that the auditor endorses. Revenue from this fee is placed in a county dedicated fund that is used to maintain plat books.

(Revised) Statewide, there were 42,736 new parcel numbers between 2010 and 2011, and 35,136 between 2011 and 2012. However, a new parcel number does not necessarily indicate a parcel has been divided. Additionally, this number overstates the number of new parcels affected by the bill because new parcels in a subdivision plat or planned unit development that has already received plan commission or director approval would be excluded.

**State Agencies Affected:**

**Local Agencies Affected:** County auditors, local plan commissions, county recorders.

**Information Sources:** IC 36-2-7-10; IC 36-2-9-18, County Auditor Tax Files for Real Property.

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